Berkeley Voters Nix Punitive Natural-gas Tax Proposal


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Voters in Berkeley, California, overwhelmingly rejected a ballot measure Tuesday that would have imposed a crippling tax on buildings that use natural gas, even as they voted more strongly in favor of Green New Deal cosponsor and Berkeley native Vice President Kamala Harris.

The natural-gas tax proposal (Measure GG) went down to an ignominious 68-to-31-percent defeat in Berkeley. Meanwhile, 72 percent of voters in Alameda County, which includes Berkeley, voted for Harris.

Fossil Fools

In 2019, the Berkeley City Council passed a measure prohibiting natural-gas hookups in all newly constructed buildings. The 9th U.S. Circuit Court of Appeals struck down that law last year.

The New American reported in August:

> Outraged left-wing groups "felt a need to 'defend' Berkeley's mantle of being a leader on climate action," [Berkeley Environment and Climate Commissioner Daniel] Tahara told Berkeleyside, and immediately searched for a way around the court's decision. The Berkeley People's Alliance approached Tahara, who had previously failed to get a similar gas tax passed in San Francisco and was only too happy to give it another try in Berkeley.

Tahara and others formed Fossil Free Berkeley. They drafted a measure that garnered enough signatures to place it on Tuesday's ballot.

According to Berkeleyside, the measure would have imposed a tax of $2.96 per 100 cubic feet of natural gas used by buildings 15,000 square feet or larger. The tax, which would have applied to 609 buildings, was expected to generate $26.7 million next year, "more than Berkeley's annual sales tax revenue and about a third of what it receives from property taxes."

Furthermore:

> The initial tax rate … would be about 1.5-2 times what PG&E [Pacific Gas & Electric] charges its customers for natural gas. And the rate would rise at 6% above inflation each year, expiring in 2050, by which time it will have increased roughly tenfold to around $27. The rate, the measure's authors say, is based on the social cost of carbon, an estimate of how harmed society is by greenhouse gas emissions.

Look for the Union Label

Landlords were prohibited from passing along the cost of the tax to their residential tenants. However, as a city report on the measure observed, that provision would be difficult to enforce and might "result in higher rental costs."

The measure contained exemptions for government buildings (as required by law) and certain other structures. In addition, it would have allowed the City Council to exempt small nonprofits that own their buildings.

The revenue was to be earmarked primarily for city programs that help property owners convert to "green" energy sources. Ten percent of it, however, would have gone toward "union-represented city positions" and "administrative expenses for the city's decarbonization program," reported Berkeleyside.

Not surprisingly, the measure was backed mostly by environmental groups and labor unions. In fact, unions and Tahara were the main bankrollers of the campaign to pass it. Tahara summed up the opinion of the pro-tax side when he told Berkeleyside that "developers and property owners who don't want to pay the tax should use electricity instead of gas in their buildings." He also didn't believe it would harm nonprofits.

Progressive Pushback

Of course, for the tax to have its desired effect, it *had* to be punitive. That's why many businesses and nonprofits, including some that support the measure's objectives, publicly opposed it.

According to Berkeleyside:

> Bayer Corporation would pay around $6.5 million for 2025, the city predicts, while Sutter Health would pay over $3.4 million for Alta Bates' two Berkeley campuses. Berkeley Bowl, the Berkeley City Club and the downtown Berkeley YMCA could each pay in the six figures, with a somewhat smaller bill forecast for owners of many buildings that include restaurants, offices, churches and apartments.

Moreover, penned *The New American*:

> The measure report noted that the tax would "compound the problem that existing taxes are already considerably higher in Berkeley than other Bay Area locations" and probably lead to higher food and services prices and a loss of businesses.
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> Emily Winston, owner of Berkeley's Boichik Bagels, wrote a letter to the City Council expressing her concerns about the tax.
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> "The gas equipment I purchased is intended to last decades. My intention in growing my business in Berkeley is to be here for decades," she explained. "But if I am going to be socked with a nearly half million dollar penalty every year, I will have to look seriously at moving out."

Nonprofits such as the Berkeley Repertory Theater and the environmentalist David Brower Center also voiced their misgivings about the tax. While professing their loyalty to the "greening" of Berkeley, both warned that they would likely have to scale back their programs because of the added expense. Ric O'Connell, executive director of nonprofit clean-energy consultancy GridLab, which is housed in the David Brower Center, told the City Council the tax was like "doubling the cost of gasoline at the pump and expecting people to switch to electric cars immediately."

"Large buildings can't simply install new, capital intensive retrofits overnight, and PG&E often needs several years to install an upgraded power drop," he explained.

Ultimately, Berkeleyans' pocketbooks won out over their progressivism, and the measure was nixed. Yes, they'll take a "green" ideologue in the White House who they presume will punish someone else to reduce carbon emissions. But when it comes to their own bank accounts and community, saving the planet takes a back seat to survival.